
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OUR HISTORY

We are a leading SD-WAN router vendor focusing on the design, development, marketing, and sales of our products and services. The history of our business can be traced back to October 2006 when our major operating subsidiary, Pepwave, was incorporated in Hong Kong for designing, developing and marketing of wireless broadband devices and solutions, and was founded by our Chairman and executive Director, Mr. Chan, through Tramunta Ventures with his personal funds. Mr. Chan has more than 27 years of experience in electronic engineering and information technology industry. Please refer to the section headed “Directors, Senior Management and Staff” in this document.

In August 2007, Peplink International, which is now one of our major operating subsidiaries, was incorporated for designing, developing and marketing of Balance series multi-WAN routers. In August 2011, having considered to further expand our business and to provide supporting services for our Malaysian customers and for the development of our products, Mr. Chan decided to incorporate Pismo Research (Malaysia) in Malaysia. For further details of our operating subsidiaries, please refer to the paragraph headed “Our Corporate Development” below.

Our Group designed, developed and launched our major product lines, including Balance series, MAX series and MediaFast series routers between 2007 and 2012. Since 2007, our customers have included enterprise and industry users in North America and EMEA. The end users of our products include enterprises and organisations in the transportation, retail, and education industries. To further enhance the functionalities of our products, our Group developed and launched InControl, our proprietary cloud management and administration software for our products, in 2008. The details of our major products and software licences can be referred to under the section headed “Business — Products and Services” in this document.

OUR KEY BUSINESS MILESTONES

We have expanded our business both locally and internationally. Our major business milestones and achievements are set out below:

<u>Year</u>	<u>Events</u>
October 2006.	<ul style="list-style-type: none"> ● Pepwave was incorporated for designing, developing and marketing of wireless broadband devices and solutions
August 2007	<ul style="list-style-type: none"> ● Peplink International was incorporated for designing, developing and marketing of Balance series multi-WAN routers
September 2007	<ul style="list-style-type: none"> ● We launched our online store on the Internet
April 2008	<ul style="list-style-type: none"> ● We launched our MAX series wireless routers
September 2008	<ul style="list-style-type: none"> ● We launched InControl cloud management and administrative software, and SD-WAN routers
December 2009	<ul style="list-style-type: none"> ● We filed the first patent application in the U.S. for our WAN bonding technology, which was later branded SpeedFusion
August 2011	<ul style="list-style-type: none"> ● Pismo Research (Malaysia) was incorporated for further expanding our business and providing support services for our Malaysian customers and for the development of our products
July 2012	<ul style="list-style-type: none"> ● We launched MediaFast series routers

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<u>Year</u>	<u>Events</u>
July 2013	● We sold our MediaFast series routers to a customer in Malaysia for use in education industry
February 2014	● Our MAX series routers were selected for building an emergency communication network for the repair of storm-damaged Dawlish railway station in the U.K.
July 2014	● We provided our MAX series routers to a renowned technology company in the U.S. through a distributor for deployment on buses
November 2014	● We commenced our business relationship with one of the world’s leading airlines
January 2015	● One of the world’s largest vessels deployed our MAX and Balance series routers
April 2015	● We were granted the first U.S. patent for our WAN bonding technology
May 2015	● Our Company was incorporated in the Cayman Islands
November 2015	● Pepwave was awarded 2015 Deloitte Technology Fast 50 China (2015德勤高科技高成長中國50強暨明日之星)

OUR CORPORATE DEVELOPMENT

We set out below the corporate history and shareholding changes of our major subsidiaries:

Hong Kong subsidiaries

Peplink International

Peplink International was incorporated in Hong Kong on 22 August 2007 by Tramunta Ventures. At the date of its incorporation, Peplink International’s authorised share capital was HK\$10,000 divided into 10,000 shares of HK\$1 each, of which 1,000 fully-paid shares were issued to Tramunta Ventures. As a result of the Reorganisation, on 22 April 2015, Tramunta Ventures transferred its entire equity interest in Peplink International to Protean Holdings at a consideration of HK\$1,000, being the value of the total share capital of Peplink International.

Peplink International is principally engaged in designing, development and marketing of SD-WAN routers and solutions.

Pepwave

Pepwave was incorporated in Hong Kong on 13 October 2006 by Tramunta Ventures. At the date of its incorporation, Pepwave’s authorised share capital was HK\$10,000 divided into 10,000 shares of HK\$1 each, of which one fully-paid share was issued to Tramunta Ventures. As a result of the Reorganisation, on 22 April 2015, Tramunta Ventures transferred its entire equity interest in Pepwave to Protean Holdings at a consideration of HK\$1, being the value of the total share capital of Pepwave.

Pepwave is currently principally engaged in designing, development, marketing and sales of SD-WAN routers and solutions.

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Pismo Labs

Pismo Labs was incorporated in Hong Kong on 13 October 2006 by Tramunta Ventures. At the date of its incorporation, Pismo Labs’s authorised share capital was HK\$10,000 divided into 10,000 shares of HK\$1 each, of which one fully-paid share was issued to Tramunta Ventures. As a result of the Reorganisation, on 22 April 2015, Tramunta Ventures transferred its entire equity interest in Pismo Labs to Protean Holdings at a consideration of HK\$1, being the value of the total share capital of Pismo Labs.

Pismo Labs is principally engaged in the R&D of SD-WAN routers.

Pismo Labs Technology

Pismo Labs Technology was incorporated in Hong Kong on 14 November 2006 by Tramunta Ventures. At the date of its incorporation, Pismo Labs Technology’s authorised share capital was HK\$10,000 divided into 10,000 shares of HK\$1 each, of which one fully-paid share was issued to Tramunta Ventures. As a result of Reorganisation, on 22 April 2015, Tramunta Ventures transferred its entire equity interest in Pismo Labs Technology to Protean Holdings at a consideration of HK\$1, being the value of the total share capital of Pismo Labs Technology.

Pismo Labs Technology owns the intellectual property of our Group.

Overseas subsidiaries

Pismo Research (Malaysia)

Pismo Research (Malaysia) was incorporated in Malaysia on 3 August 2011 with an authorised share capital of RM500,000 divided into 500,000 shares of RM1 each, of which one fully-paid share each was issued and allotted to Mr. Chan and Ms. Chow Yuk Lan, respectively, representing 50% each of the issued paid up share capital of Pismo Research (Malaysia).

On 23 September 2011, Mr. Chan and Ms. Chow Yuk Lan transferred their respective equity interest in Pismo Research (Malaysia) at par value to Tramunta Ventures. On the same date, Tramunta Ventures subscribed 349,998 shares in Pismo Research (Malaysia) at par value. As a result of the Reorganisation, on 20 April 2015, Protean Holdings entered into a sale and purchase agreement with Tramunta Ventures to acquire the entire equity interest in Pismo Research (Malaysia) from Tramunta Ventures at a consideration of RM350,000, being the nominal value of the total issued share capital of Pismo Research (Malaysia). As at the Latest Practicable Date, Pismo Research (Malaysia) had an issued share capital of RM350,000 divided into 350,000 shares of RM1 each.

Pismo Research (Malaysia) is principally engaged in development of SD-WAN routers in Malaysia.

Peplink Worldwide

Peplink Worldwide was incorporated in BVI as a limited liability company on 20 October 2011 with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each, of which one share of US\$1 was issued to Tramunta Ventures.

As part of the Reorganisation, on 22 April 2015, Tramunta Ventures transferred its entire equity interest in Peplink Worldwide to Protean Holdings at a consideration of US\$1, being the nominal value of Peplink Worldwide.

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Peplink Worldwide was principally engaged in overseas trading of SD-WAN routers and it has ceased operation since January 2016.

REORGANISATION

We reorganised our corporate structure in preparation for, and in connection with the [REDACTED]. Following the Reorganisation, our Company becomes the holding company of our Group. The steps of the Reorganisation are set out below.

1. On 6 February 2015, Pegatrack was incorporated in Hong Kong as a limited liability company. As at the date of incorporation, the share capital of Pegatrack of HK\$1 divided into one share, which was wholly-owned by Mr. Chan. Pegatrack is principally engaged in investment holding, including entering into the tenancy agreements for our office premises in Hong Kong.
2. On 8 April 2015, Protean Holdings was incorporated in the BVI as a limited liability company with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each. On 17 April 2015, Mr. Chan subscribed for one share at par value in Protean Holdings. Protean Holdings is principally engaged in investment holding.
3. On 20 April 2015, Protean Holdings entered into a sale and purchase agreement with Tramunta Ventures to acquire the entire issued share capital of Pismo Research (Malaysia) from Tramunta Ventures at a consideration of RM350,000, being the nominal value of the total issued share capital of Pismo Research (Malaysia).
4. On 22 April 2015, Protean Holdings entered into five sale and purchase agreements with Tramunta Ventures to acquire the entire issued share capital of each of our subsidiaries, namely Peplink International, Pepwave, Pismo Labs, Pismo Labs Technology and Peplink Worldwide from Tramunta Ventures. The consideration of each of the transfers was negotiated on an arm’s length basis, with reference to their respective value of the total share capital, the details of which are set out in the table below:

<u>Name of our subsidiaries</u>	<u>Date of completion of share transfer</u>	<u>Consideration</u>
Peplink International	22 April 2015	HK\$1,000
Pepwave	22 April 2015	HK\$1
Pismo Labs	22 April 2015	HK\$1
Pismo Labs Technology	22 April 2015	HK\$1
Peplink Worldwide	22 April 2015	US\$1

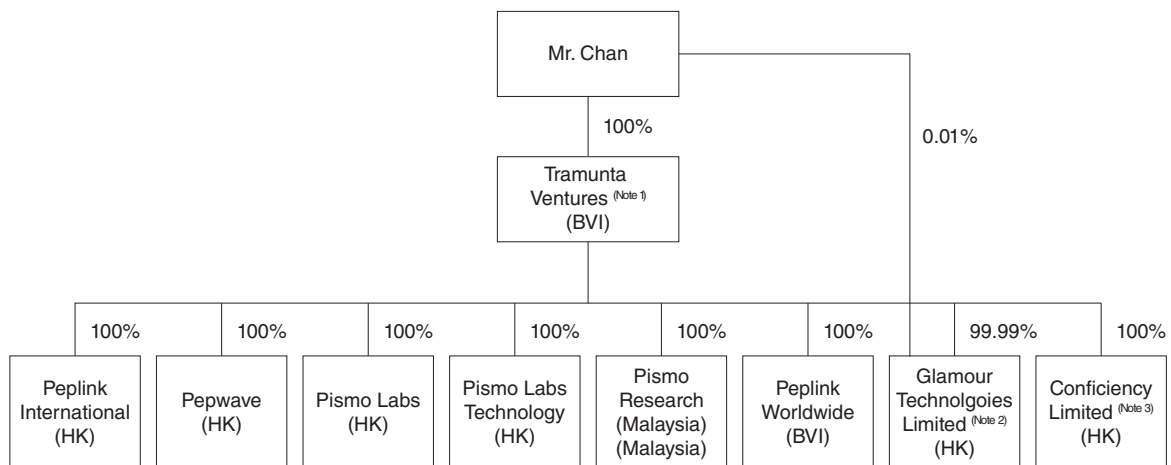
5. On 5 May 2015, our Company was incorporated in the Cayman Islands as an exempted company with limited liability. Our Company was registered as a non-HK company under Part 16 of the Companies Ordinance on 15 July 2015 and becomes the holding company of our Group upon completion of the Reorganisation. As at the date of the incorporation, our Company had an authorised share capital of HK\$380,000 divided into 38,000,000 Shares. On 5 May 2015, one fully paid Share was transferred from Reid Services Limited, an Independent Third Party, to Mr. Chan at par value.
6. On 20 May 2015, Protean Holdings acquired the entire issued share capital in Pegatrack from Mr. Chan at a consideration of HK\$1, being the value of the total share capital of Pegatrack.

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7. On 4 September 2015, Pacific Smart was incorporated in Hong Kong as a limited liability company with an authorised share capital of HK\$1 divided into one share wholly owned by Protean Holdings. As at the Latest Practicable Date, Pacific Smart did not commence business.
8. On [•] 2016, Mr. Chan and our Company entered into a share swap agreement pursuant to which Mr. Chan transferred his entire interest in Protean Holdings to our Company. As a consideration of such transfer, our Company allotted and issued [one] Share to Mr. Chan, credited as fully paid. Upon completion of such transfer, our Company becomes the holding company of our Group, Protean Holdings became our direct wholly-owned subsidiary, and Peplink International, Pepwave, Pismo Labs, Pismo Labs Technology, Pismo Research (Malaysia), Peplink Worldwide, Pegatrack and Pacific Smart became the indirect wholly owned subsidiaries of our Group.
9. On [•] 2016, the authorised share capital of our Company was increased by HK\$[REDACTED] from HK\$[REDACTED] divided into [REDACTED] Shares to HK\$[REDACTED] divided into [REDACTED] Shares.

SHAREHOLDING AND CORPORATE STRUCTURE

The shareholding and corporate structure of our Group immediately before the Reorganisation is set out as below:



Notes:

1. Tramunta Ventures was incorporated in BVI on 22 March 2001 with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each at the date of incorporation. Tramunta Ventures was acquired by Mr. Chan on 2 March 2004 whereupon Mr. Chan became the sole shareholder of Tramunta Ventures. Tramunta Ventures was an investment holding company which held the subsidiaries of our Group, namely Peplink International, Pepwave, Pismo Labs, Pismo Labs Technology, Pismo Research (Malaysia), Peplink Worldwide, as well as other companies, those are Glamour Technologies Limited (輝煌科技有限公司) and Conficiency Limited, prior to the Reorganisation. In preparation of the [REDACTED], after the transfer of Peplink International, Pepwave, Pismo Labs, Pismo Labs Technology, Pismo Research (Malaysia) and Peplink Worldwide to Protean Holdings as a result of the Reorganisation, Tramunta Ventures was separated from our Group and remains the holding company for Glamour Technologies Limited (輝煌科技有限公司) and Conficiency Limited, the two subsidiaries which were excluded from our Group.
2. Glamour Technologies Limited (輝煌科技有限公司) was incorporated in Hong Kong as a limited liability company on 8 December 2000 with an issued share capital HK\$10,000 divided into 10,000 shares of HK\$1 each. As at the Latest Practicable Date, 9,999 and one issued share of Glamour Technologies Limited (輝煌科

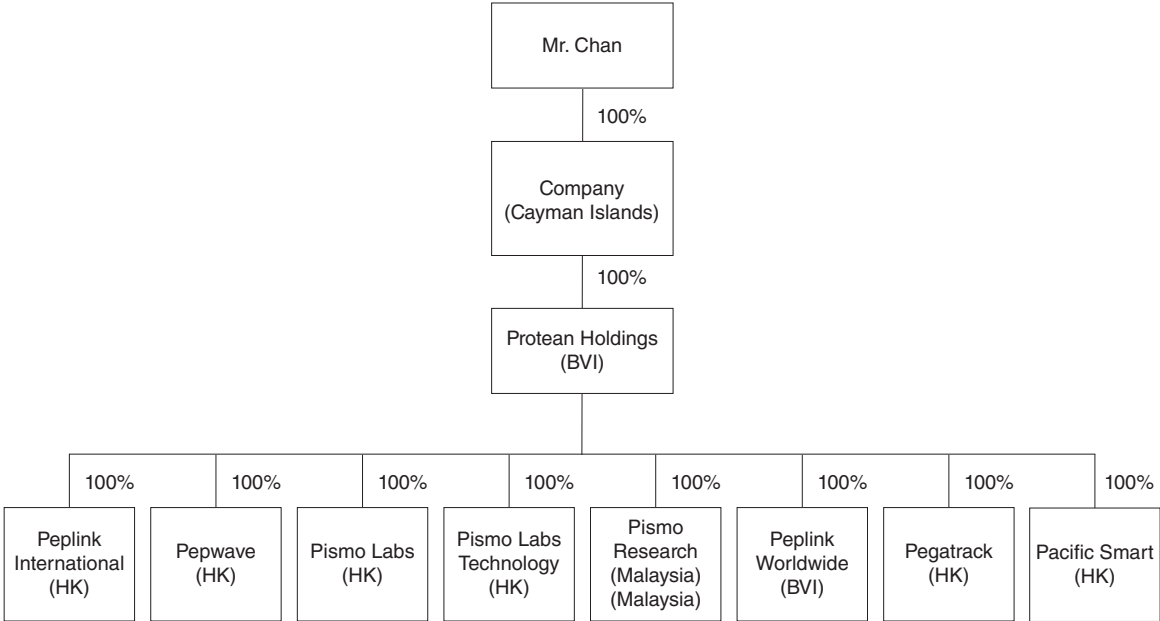
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技有限公司) were held by Tramunta Ventures and Mr. Chan respectively. Glamour Technologies Limited (輝煌科技有限公司) has been engaged in management services which were not related to the core business of our Group. Accordingly, it was excluded from our Group as part of the Reorganisation.

- 3. Conficiency Limited was incorporated in Hong Kong on 21 June 2005, with an issued share capital of HK\$1,104,313 divided into 1,104,313 shares of HK\$1 each, held by Tramunta Ventures as at the Latest Practicable Date. Conficiency Limited is principally engaged in investment holding which was not related to the core business of our Group. As such, it is excluded from our Group as part of the Reorganisation.

The shareholding and corporate structure of our Group after completion of the Reorganisation but before the [REDACTED] and [REDACTED] Issue is set out as below:



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The shareholding and corporate structure of our Group immediately after completion of the [REDACTED] and [REDACTED] (taking into no account of any Shares which may be allotted and issued pursuant to exercise of the [REDACTED] or any options may be granted under the Share Option Scheme) is set out as below:

